



**Director of
Central
Intelligence**

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CENTRAL AMERICA: Salvadoran Insurgent Attacks

//The Salvadoran guerrilla preelection offensive finally appears to be gaining some momentum. In Guatemala, opposition parties have endorsed the coup despite the new junta's prohibition of political activities. Nicaraguan moderates are worried that international efforts at a regional settlement will ignore Sandinista domestic repression.//

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Comment: //Insurgent armed strength in the northeast is nearly equal to or even greater than that of the government, and the guerrillas there have a good chance of at least a temporary success. This was the area where they declared a short-lived liberated zone last August before a government counterattack reversed their fortunes.//

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Guatemalan Opposition Concerns

Despite their endorsement of the coup, the three opposition candidates who challenged General Guevara's electoral victory earlier this month are concerned about the failure of the current junta to promise elections. According to press reports, rightwing leader Sandoval has stated his intention of forming a coalition with the Christian Democrats to press for new balloting.

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Comment: The issues of elections and civilian rule appear to be critical for the success of the junta. The political parties and many of the junior officers are likely to challenge Rios Montt if he proves unbending, and most Western governments will await assurances of new elections before strengthening ties with Guatemala City. [REDACTED]

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Concerns of Nicaraguan Moderates

An alliance of various moderate Nicaraguan political and business organizations has issued a statement supporting the Mexican initiative to reduce tensions in Central America, but calling on the Sandinista regime to respect political pluralism and a mixed economic system. It urges the government to begin a dialogue with moderate opposition sectors under the supervision of a committee from the OAS. [REDACTED]

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Comment: Nicaraguan moderates have been increasingly isolated and demoralized since a state of emergency was decreed earlier this month. Despite the moderates' statement, the Sandinista government is likely to reject any foreign involvement in domestic Nicaraguan politics. [REDACTED]

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MIDDLE EAST: Unrest in West Bank and Gaza

//Tel Aviv will use the killing yesterday of an Israeli soldier in the Gaza Strip by a radical Palestinian group to strengthen its claims that the current unrest in the occupied territories is inspired by the PLO.// []

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The Marxist Democratic Front for the Liberation of Palestine in Beirut has claimed credit for the attack, in which three other Israelis were wounded. The group earlier this month claimed responsibility for a bomb attack inside Israel. []

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Senior Israeli officials are insisting that the current unrest is tied to PLO efforts to maintain support in the territories. West Bank civil administrator Milson, who has day-to-day responsibility for the area, claimed yesterday that the PLO was inciting the unrest in a last-ditch effort to undermine the Israeli-backed Village Leagues. Defense Minister Sharon hinted that more mayors, in addition to the two dismissed yesterday, might be removed shortly because of their ties to the PLO. []

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The Egyptian press has become increasingly critical of Israel's actions--accusing Tel Aviv of deliberately provoking the unrest to create a pretext for annexing the West Bank and invading Lebanon--although the Egyptian Government has been more restrained. In Jordan there were large demonstrations yesterday at Palestinian refugee camps. []

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Comment: //High-level Israeli military officials initially did not charge that the killing violated the cease-fire with the Palestinians, but the Israelis almost certainly regard the attack as extremely serious. Further incidents--particularly if they were to result in Israeli civilian casualties--could lead to strong punitive actions by the Israelis.// []

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FINLAND: Communist Party Chairman To Resign

The decision of Communist Party Chairman Saarinen to resign sets the stage for further changes in the party leadership as it struggles to prevent deepening factionalism from becoming an open split.

Saarinen announced on Wednesday that he would step down from the chairmanship at the extraordinary party congress scheduled for 14 and 15 May. He predicted other major changes in the leadership, indicating that he expected Vice Chairman Sinisalo, the leader of the party's Stalinist wing, to resign as well.

Party hardliners are not happy that the leading contender to succeed Saarinen is party Secretary General Aalto, whom they accuse of "revisionism" for advocating closer policy cooperation with the Social Democratic Party and other center parties.

The Soviets have made it clear to Finnish Communist leaders that they would prefer a quarrelsome, but united, party to two competing parties. They have hinted broadly that a purge of Stalinists from the party leadership would cause a marked deterioration in relations between the Finnish and Soviet parties.

A growing number of party members regard a change of leaders as essential to a resolution of the 16-year-old schism between the "liberal" majority and the hard-line minority. A new and increasingly important bloc, the so-called "Third Line," argues that the split between liberals and hardliners has become so highly personalized that the present leadership can only perpetuate the schism and the decline of the party's popularity.

Comment: Although Sinisalo has not yet declared his intentions, Soviet party officials may urge the Stalinists to replace him in the hope of reducing the risk of an open split.

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WESTERN EUROPE - EL SALVADOR: Views on Elections

Most West European public and professional political opinion remains antagonistic to the junta and skeptical of the electoral process; the death of the Dutch journalists has had most impact in the Netherlands. [redacted]

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//The approach of the election has prompted public protests in Western Europe, and demonstrations in the Netherlands have turned virulent. Although most West European governments--caught between public opinion and their desire not to strain relations with the US--are still restrained in commenting on El Salvador, officials in the Netherlands, Sweden, and Denmark have become more openly critical.// [redacted]

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//Most West European Christian Democratic parties are more positive toward the election than are the Socialists, and many are sending election observers. The Italian party, however, refuses to participate. The Dutch party has canceled plans to observe the election and has joined in a call for recognition and financial support of the insurgents.// [redacted]

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Comment: //If the election strengthens the Salvadoran right, the West European Socialists probably will continue to call for a negotiated settlement, while standing more firmly behind the opposition. The Christian Democrats would be likely to press harder for negotiations and distance themselves from the junta.// [redacted]

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//If the West Europeans should become convinced after the elections that the Salvadoran Christian Democrats are a credible governing force, their attitudes toward the El Salvador regime would become less negative. Socialists and public activists would be slow to concur but, if they did, they would still call for negotiations to include moderate leftists in the political system. Their criticism of the government, however, would level off and might even decline.// [redacted]

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SPECIAL ANALYSIS

EL SALVADOR: Election Outlook

The voter turnout on Sunday could be substantial, but neither of the two leading contenders--junta President Duarte's liberal Christian Democrats and Roberto D'Aubuisson's ultraconservative National Republican Alliance--appears to have better than a remote chance of gaining a majority. Thus, the balloting will likely lead to intense rivalry by both parties to form a ruling coalition in the new constituent assembly.

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Although the extreme left and its foreign supporters will denounce the results, their failure to stop the election will be a severe psychological blow. This would be magnified by a large voter turnout and by wide acceptance of the result as legitimate. Such an outcome would reduce international and domestic support for the guerrillas and threaten their already fragile unity.

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Nevertheless, the election presents additional challenges to the stability of the ruling structure. A reformist administration headed by the Christian Democrats has the best chance of reaching a political settlement with the insurgents, but for this reason it will remain vulnerable to a military coup. A regime dominated by ultraconservatives would heighten polarization, alienate international backers, and ultimately face a greater guerrilla challenge more strongly supported by foreign governments.

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Mechanics and Atmospherics

The balloting, which will end a half century of governments dominated by the military, is for a 60-member constituent assembly. It will be empowered to appoint a provisional government, draft a new constitution, and set dates for subsequent presidential elections.

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Interest appears high among the estimated 1.5 million voters. To enhance turnout, the nonpartisan Central Elections Council is permitting voters to cast ballots at any of 300 polling stations. Measures have been taken to protect voter anonymity because of guerrilla threats.

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Insurgent propaganda has complicated the junta's effort to give the election credibility abroad, but at least 20 nations and the OAS are sending official observers. They will be given military protection and permitted to witness the balloting at any location they choose. The Central Elections Council, meanwhile, has instituted measures to prevent fraudulent voting and irregularities in the tabulation.

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The Campaign

The major competition--too close to call--pits the reformist record of the Christian Democrats against the personal and nationalistic appeal of D'Aubuisson. He has used substantial funding and simple law-and-order themes to extend his party's appeal beyond its natural constituency of rightist military officers, landowners, businessmen, and peasants aligned with the old order. His promises of swift victory over the guerrillas apparently have been persuasive with both urban and rural workers, who increasingly suffer the economic effects of insurgent violence.

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In contrast, the Christian Democrats have until recently been content to rely on their political organization and record of reforms. Concerned, however, that their appeal is being eroded by the right wing's constant reminders of escalating guerrilla attacks and continuing economic deterioration, they are publicly insinuating D'Aubuisson's involvement in the assassination of Archbishop Romero in 1980. They have also designated junta President Duarte--whose personal popularity is unrivaled--as their candidate for provisional president, and he has accepted.

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Four other parties are fielding candidates in each of the country's 14 departments. Of these, the old center-right National Conciliation Party--which held power from 1962 until the overthrow of General Romero in 1979--retains significant support and is likely to be most prominent in any coalition government. [REDACTED]

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[REDACTED] The campaign's bitter invective will further complicate efforts to form a coalition.// [REDACTED]

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The Military

Relations between the military and the Christian Democrats have deteriorated during the campaign. The Christian Democrats are upset by the armed forces' refusal to share responsibility for the economic disarray and the continuing violence. They also are upset that some military elements are supporting D'Aubuisson. [REDACTED]

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The generally conservative officer corps fears that a reformist civilian government would threaten its independence and prerogatives. Although the military is enjoined from participating in the election, at least some elements are likely to facilitate rightist balloting while hindering voters suspected of being unsympathetic. [REDACTED]

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Possible Results

//If the turnout is substantial and the balloting appears fair, the most stabilizing outcome would be a Christian Democratic alliance with moderate elements from one or more of the rightist parties. Such a result would reduce the military's concerns about its institutional survival and would receive strong backing from at least some Western democracies.//

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Such support might persuade the leftist insurgents to moderate their demands for a power-sharing arrangement and a restructuring of the military. In time, the armed forces might even be encouraged to engage in a dialogue with the left that could eventually establish the basis for a political settlement.

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A landslide victory by the Christian Democrats would increase strains with the military, which would be apprehensive about efforts to impose civilian control over the armed forces and to make concessions to the guerrillas. Although the military has shown itself willing to continue supporting democratic processes as long as its critical interests are not threatened, civilian initiatives of this kind would increase the chance of a coup.

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A D'Aubuisson-dominated government would cause reform programs to be abandoned, indiscriminate counter-terrorist violence to intensify, and world opinion to be overwhelmingly negative. Such an outcome would repudiate Western support for peaceful political evolution and human rights. Over the long term, only the extreme left would benefit.

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